

WHAT IS CLAIMED IS:

1                   1. A method of operating a simulated trading system, comprising the steps  
2 of:  
3           setting up an account with a predefined portfolio of nonzero value for each of a  
4           plurality of participants;  
5           accepting trades from the plurality of participants;  
6           applying the trades to the portfolios of the trader participants; and  
7           awarding each participant an amount that is a function of their portfolio's  
8           performance over an investment period.

1                   2. The method of claim 1, wherein the step of setting up an account is a  
2 step of setting up an account with a portfolio of a predefined cash amount.

1                   3. The method of claim 1, wherein an amount awarded at the end of the  
2 investment period is all of the net profits the participant made during the investment  
3 period.

1                   4. The method of claim 1, wherein an amount awarded at the end of the  
2 investment period is a percentage of less than 100% of the net profits the participant made  
3 during the investment period.

1                   5. The method of claim 1, wherein an amount awarded at the end of the  
2 investment period is all of the net profits the participant made during the investment  
3 period up to a predetermined maximum award.

1                   6. The method of claim 1, further comprising a step of executing trades  
2 made by the participants with the traded securities held in the name of a system operator  
3 or the participants.

1                   7. The method of claim 1, further comprising a step of offsetting risk to a  
2 system operator by one or more of sponsorships, advertising and participant fees.

1                   8. The method of claim 1, further comprising the steps of:  
2           accounting for the trades as if the participants made the trades with some  
3           predetermined delay; and  
4           executing hedging transactions in response to participant trades.

- 1                    9. The method of claim 8, wherein the predetermined delay is a delay to  
2    the market close.

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